

## The committee consisting of [blank] to whom was referred the motion of Mr. Monroe, submit the following report

The **COMMITTEE** consisting of to whom was referred the **MOTION** of Mr. Monroe, submit the following **REPORT**.

**THAT** the first paragraph of the ninth of the articles of confederation be altered, so as to read thus, viz.

“The United States in Congress assembled, shall have the sole and exclusive right and power of determining on peace and war, except in the cases mentioned in the sixth article—of sending and receiving ambassadors—entering into treaties and alliances—of regulating the trade of the states, as well with foreign nations, as with each other, and of laying such impost and duties, upon imports and exports, as may be necessary for the purpose; provided, that the citizens of the states, shall in no instance be subjected to pay higher imposts and duties, than those imposed on the subjects of foreign powers; provided also, that the legislative power of the several states, shall not be restrained from prohibiting the importation or exportation of any species of goods or commodities whatsoever; provided also, that all such duties as may be imposed, shall be collected under the authority and accrue to the rise of the state, in which the same shall be payable. And provided lastly, that every act of Congress for the above purpose, shall have the assent of nine states in Congress assembled—of establishing rules for deciding in all cases, what captures on land or water shall be legal, and in what manner prizes taken by land or naval forces in the service of the United States shall be divided or appropriated, of granting letters of marque and reprisal in time of peace—appointing courts for the trial of piracies and felonies committed on the high seas, and establishing courts for receiving and

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determining finally appeals in all cases of captures; provided that no member of Congress shall be appointed judge of any of the said courts.”

That the following letter be addressed to the legislatures of the several states, shewing the principles on which the above alteration is proposed.

The United States having formed treaties of commerce with the most Christian king, the king of Sweden, and the states general of the United Netherlands; and having appointed ministers with full authority to enter into treaties with other powers, upon such principles of reciprocity, as may promote their peace, harmony and respective interests, it becomes necessary that such internal arrangements should be made, as may strictly comply with the faith of those treaties, and ensure success to their future negotiations. But in the pursuit of the means necessary for the attainment of those ends, considerable difficulties arise. If the legislature of each state adopts its own measures, many and very eminent disadvantages, must, in their opinion, necessarily result therefrom. They apprehend it will be difficult for thirteen different legislatures, acting separately and distinctly, to agree in the same interpretation of a treaty, to take the same measures for carrying it into effect, and to conduct their several operations upon such principles as to satisfy those powers, and at the same time preserve the harmony and interests of the union: or to concur in those measures which may be necessary to counteract the policy of those powers with whom they shall not be able to form commercial treaties, and who avoid it merely from an opinion of their imbecility and indecision. And if the several states levy different duties upon their particular produce, exported to the ports of those powers, or upon the produce and manufactures of those powers imported into each state, either in vessels navigated by and belonging to the citizens of these states, or the subjects of those powers, it will, they apprehend, induce on their part, similar discriminations in the duties upon the commercial intercourse with each state, and thereby defeat the objects of those treaties, and promote the designs of those who wish to profit from their embarrassment. Unless the United States in Congress assembled, are authorized to make those arrangements which become necessary under their treaties, and are enabled to carry them into effect,

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they cannot complain of a violation of them on the part of other powers. And unless they act in concert, in the system of policy, which may be necessary to frustrate the designs of those powers who lay injurious restraints on their trade, they must necessarily become the victims of their own indiscretion.

The common principle upon which a friendly commercial intercourse is conducted between independent nations, is that of reciprocal advantages; and if this is not obtained, it becomes the duty of the losing party to make such farther regulations, consistently with the faith of treaties, as will remedy the evil, and secure its interests. If then the commercial regulations of any foreign power, contravene the interests of any particular state, if they refuse admittance to its produce into its ports, upon the same terms that the state admits its manufactures here, what course will it take to remedy the evil? If it makes similar regulations to counteract those of that power, by reciprocating the disadvantages which it feels, by impost or otherwise, will it produce the desired effect? What operation will it have upon the neighbouring states? Will they enter into similar regulations, and make it a common cause? On the contrary, will they not in pursuit of the same local policy, avail themselves of this circumstance, to turn it to their particular advantage? Thus, then, we behold the several states taking separate measures, in pursuit of their particular interests, in opposition to the regulations of foreign powers, and separately aiding those powers to defeat the regulation of each other—for, unless the states act together, there is no plan of policy into which they can separately enter, which they will not be separately interested to defeat, and of course all their measures must prove vain and abortive.

The policy of each nation in its commercial intercourse with other powers is to obtain, if possible, the principal share of the carriage of the materials of either party, and this can only be effected, by laying higher duties upon imports and exports in foreign vessels, navigated by the subjects of foreign powers, than in those which belong to, and are navigated by those of its own dominions. This principle prevails in a greater or less degree, in the regulations of the oldest and wisest commercial nations with respect to each other, and will of course be extended to these states. Unless therefore they possess a reciprocal

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power, its operation must produce the most mischievous effects. Unable to counteract the restrictions of those powers by similar restrictions here, or to support the interests of their citizens by discriminations in their favour, their system will prevail. Possessing no advantages in the ports of his own country, and subjected to much higher duties and restrictions in those of other powers, it will necessarily become the interest of the American merchants to ship his produce in foreign bottoms; of course their prospects of national consequence must decline, their merchants become only the agents and retailers of those of foreign powers, their extensive forests be hewn down and laid waste, to add to their strength and national resources, and the American flag be rarely seen upon the face of the seas.

But if they act as a nation, the prospect is more favourable to them. The particular interests of every state, will then be brought forward, and receive a federal support. Happily for them no measures can be taken to promote the interests of either, which will not equally promote that of the whole. If their commerce is laid under injurious restrictions in foreign ports, by going hand in hand in confidence together, by wise and equitable regulations, they will the more easily sustain the inconvenience or remedy the evil. If they wish to cement the union by the strongest ties of interest and affection; if they wish to promote its strength and grandeur founded upon that of each individual state, every consideration of local, as well as of federal policy, urge them to adopt the following recommendation.

The situation of the commercial affairs of the union, requires that the several legislatures should come to the earliest decision on the subject, which they now submit to their consideration. They have weighed it with that profound attention, which is due to so important an object, and are fully convinced of its expedience—A further delay must be productive of inconvenience. The interest which will vest in every part of the union, must soon take root and have their influence. The produce raised upon the banks of those great rivers and lakes, which have their sources high up in the interior parts of the continent, will empty itself into the Atlantic in different directions, and of course, as the states rearing to the westward, attain maturity and get admission into the confederation, will their

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government become more complicated. Whether this will be the source of strength and wealth to the union, must therefore in a great degree depend upon the measures which may be now adopted.

A temporary power would not in their opinion enable the United States to establish the interests, nor attain the salutary object which they propose; the expectation that it will revert to the states and remain with them for the future, would lessen its weight with foreign powers; and while the interests of each state, and of the federal government continue to be the same, the same evils will always require the same correction, and of course the necessary powers should always be lodged in the same hands. They have therefore thought proper to propose an efficient and perpetual remedy.

Regulation of Trade Mr. Johnson